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November 29, 1995

Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

Re: RFP Tariff Filing, SWBT Tariff No. 73
Transmittal Nos. 2433 and 2449, CC Docket No. 95-140

Dear Mr. Caton:

In accordance with the Commission's rules governing ex parte presentations, please be advised that today Thomas Pajda and the undersigned representing Southwestern Bell Telephone Company (SWBT) met with Todd Silbergeld, Legal Advisor to Commissioner Andrew Barrett, to discuss SWBT's position with respect to SWBT's RFP tariff filing.

Questions regarding this issue may be directed to me on 326-8860.

Sincerely,

Attachment

cc: Todd Silbergeld

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Southwestern Bell Telephone Company

SWBT Tariff No. 73, Transmittal Nos. 2433 and 2449

RFP Tariff Filing

Background

02/27/95 - SWBT filed Transmittal No. 2433 in response to a Request For Proposal (RFP) from MCI, for a "competitive response" to replace DS-3s between specific points in SWBT's service area.

03/6/95 - SWBT received notification from MCI that the bid was awarded to another vendor.

04/29/95 - SWBT filed Transmittal No. 2449 to amend the tariff language in Transmittal No. 2433 to clarify the general availability of this offering to similarly situated customers.

06/26/95 - Common Carrier Bureau released an order suspending the tariff for five months and initiating an investigation.

08/25/95 - CCB released an order designating issues for investigation.

09/11/95 - SWBT filed its Direct Case in response to the designation order.

09/25/95 - Oppositions filed against SWBT's Direct Case.

10/10/95 - SWBT filed rebuttal to oppositions.

11/13/95 - SWBT filed Transmittal No. 2516 to defer the RFP tariff to December 1, 1995, to allow the CCB time to prepare their decision.

There Can Be No Dispute that this is a Competitive Case. SWBT Meets the Requirements of the "Competitive Necessity" Test.

- Competitive alternative: MCI's RFP requested a competitive response, and the bid was awarded to another vendor.

- Undue discrimination:

The application-specific arrangement will be available to similarly situated customers (customers served from exactly the same central offices).

Customers in other situations can have a similar rate developed by confirming the presence of competition.

Different rates already exist in the marketplace.

- Reasonable rates:

The RFP filing makes the marketplace more, not less, competitive.

Since RFP tariff rates will be lower than average tariff rates, consumers can only benefit.

There cannot be harm to any customers as SWBT is not seeking to raise any other rates.

The Commission Should Allow the RFP Tariff to Become Effective

SWBT has demonstrated that competition exists: MCI's RFP was awarded to another vendor.

SWBT's filing is a reasonable and limited response to the competition facing SWBT in this specific instance. SWBT's competitors utilize application specific pricing without the scrutiny to which SWBT would be subject in its RFP tariff.

It is not necessary for the Commission to speculate on future RFP tariff filings. As additional cases occur, SWBT will amend the RFP tariff to justify "competitive necessity". The Commission remains fully able to reject any such amendment if SWBT cannot demonstrate competitive necessity.

The marketplace is dictating the RFP process -- "competitive necessity" is the appropriate test.

The RFP process will enhance the competitive process in access markets and send correct economic signals to the marketplace.

SWBT must be allowed to respond quickly and decisively to competition when and where it occurs.

SWBT has already lost more than 30% of its high cap market in Dallas and Houston.

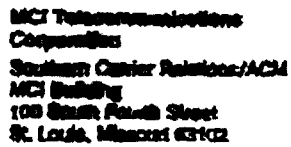
In Missouri, over 35 companies are authorized to provide private line and special access services in competition with SWBT; a total of 421 companies are licensed to provide some type of service in competition with SWBT.

In St. Louis, several competitors, including MFS, Digital Teleport and TCG have placed extensive miles of fiber

Most of SWBT's competitors use ICB pricing which customers have come to expect. In fact, in SWBT's territory alone, MFS has over 440 ICBs.

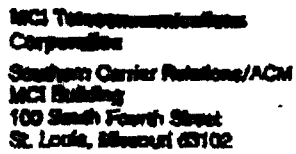
SWBT has asked for no more pricing flexibility than is necessary.

SWBT's filing is in the public interest, and is consistent with Commission policy.




Laura K. Pickard
Carrier Management

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Laura K. Pickard
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Carrier Management

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→ Faxes 2/6/95